

# BASIC FINANCIAL STATEMENTS



# **GOVERNMENT-WIDE FINANCIAL STATEMENTS**



**State of Indiana**  
**Statement of Net Assets**  
**June 30, 2007**  
(amounts expressed in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets:</b>				
Current assets:				
Cash, cash equivalents and investments	\$ 7,495,997	\$ 363,104	\$ 7,859,101	\$ 2,895,664
Securities lending collateral	3,492,421	-	3,492,421	738,853
Receivables (net)	1,812,189	39,838	1,852,027	666,521
Intergovernmental receivable	-	-	-	69
Inventory	7,030	590	7,620	28,762
Prepaid expenses	4,339	31	4,370	22,224
Loans	57,727	-	57,727	-
Intergovernmental loans	-	-	-	787,532
Due from primary government	-	-	-	38,572
Due from component unit	48,420	-	48,420	-
Investment in direct financing lease	-	-	-	49,285
Funds held in trust by others	-	-	-	33,640
Other current assets	-	-	-	64,338
<b>Total current assets</b>	<b>12,918,123</b>	<b>403,563</b>	<b>13,321,686</b>	<b>5,325,460</b>
Noncurrent assets:				
Cash, cash equivalents and investments - restricted	-	-	-	2,643,018
Taxes, interest, and penalties receivable	455,469	-	455,469	4,984
Other receivables	35,151	-	35,151	4,788,942
Investments - unrestricted	-	-	-	4,496,743
Loans	454,473	-	454,473	42
Bond issuance costs net of amortization	-	-	-	49,192
Intergovernmental loans	-	-	-	1,537,898
Due from primary government	-	-	-	81,028
Due from component unit	383	-	383	-
Investment in direct financing lease	-	-	-	1,480,802
Net pension assets	203,439	-	203,439	-
Other noncurrent assets	5	-	5	84,096
Capital assets:				
Land	1,247,948	-	1,247,948	340,926
Infrastructure	7,605,015	-	7,605,015	480,082
Construction in progress	345,201	-	345,201	968,889
Property, plant, and equipment	1,762,575	22,708	1,785,283	8,344,325
Less accumulated depreciation	(934,340)	(11,602)	(945,942)	(3,581,244)
<b>Total capital assets, net of depreciation</b>	<b>10,026,399</b>	<b>11,106</b>	<b>10,037,505</b>	<b>6,552,978</b>
<b>Total noncurrent assets</b>	<b>11,175,319</b>	<b>11,106</b>	<b>11,186,425</b>	<b>21,719,723</b>
<b>Total assets</b>	<b>24,093,442</b>	<b>414,669</b>	<b>24,508,111</b>	<b>27,045,183</b>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable	446,708	536	447,244	385,897
Claims payable	-	2,494	2,494	9,318
Interest payable	-	-	-	151,425
Current portion of long-term debt	-	-	-	1,330,579
Line of credit	-	-	-	371,000
Intergovernmental payable	197,656	-	197,656	-
Due to primary government	-	-	-	48,420
Due to component unit	38,572	-	38,572	-
Capital lease payable	38,170	-	38,170	1,609
Accrued prize liability	-	-	-	72,198
Salaries, health, disability, and benefits payable	102,242	398	102,640	26,740
Tax refunds payable	54,444	-	54,444	-
Deferred revenue	22,901	6,800	29,701	275,753
Accrued liability for compensated absences	76,785	179	76,964	69,270
Securities lending payable	15,612	-	15,612	-
Securities lending collateral	3,492,421	-	3,492,421	738,853
Deposits held in custody for others	-	-	-	36,369
Other current liabilities	728	618	1,346	53,528
<b>Total current liabilities</b>	<b>4,486,239</b>	<b>11,025</b>	<b>4,497,264</b>	<b>3,570,959</b>

**State of Indiana**  
**Statement of Net Assets**  
**June 30, 2007**  
(amounts expressed in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Long-term liabilities:				
Accrued liability for compensated absences	\$ 58,901	\$ 227	\$ 59,128	\$ 42,443
Claims payable	-	49,936	49,936	-
Intergovernmental payable	70,000	-	70,000	-
Accrued prize liability	-	-	-	75,713
Net pension obligations	10,327	-	10,327	-
Due to component unit	81,028	-	81,028	-
Due to primary government	-	-	-	383
Deferred revenue	-	-	-	3,700,215
Capital lease payable	1,294,929	-	1,294,929	10,004
Funds held in trust for others	-	-	-	157,401
Advances from federal government	-	-	-	31,840
Revenue bonds/notes payable	-	-	-	11,479,853
Other noncurrent liabilities	-	-	-	54,408
<b>Total long-term liabilities</b>	<b>1,515,185</b>	<b>50,163</b>	<b>1,565,348</b>	<b>15,552,260</b>
<b>Total liabilities</b>	<b>6,001,424</b>	<b>61,188</b>	<b>6,062,612</b>	<b>19,123,219</b>
<b>Net Assets:</b>				
Invested in capital assets net of related debt	8,693,300	11,106	8,704,406	2,887,839
Restricted-nonexpendable:				
Grants/constitutional restrictions	541,203	-	541,203	4,618
Permanent funds	536,382	-	536,382	-
Future debt service	-	-	-	99,628
Instruction and research	-	-	-	179,317
Student aid	-	-	-	135,349
Other purposes	-	-	-	118,058
Total restricted-nonexpendable	1,077,585	-	1,077,585	536,970
Restricted-expendable:				
Instruction and research	-	-	-	193,162
Future debt service	-	-	-	232,088
Pension fund distribution	-	-	-	13,514
Student aid	-	-	-	82,639
Auxiliary enterprises	-	-	-	4,572
Capital projects	-	-	-	241,646
Unemployment compensation	-	342,192	342,192	-
Other purposes	-	-	-	2,499,201
Total restricted-expendable	-	342,192	342,192	3,266,822
Unrestricted	8,321,133	183	8,321,316	1,230,333
<b>Total net assets</b>	<b>\$ 18,092,018</b>	<b>\$ 353,481</b>	<b>\$ 18,445,499</b>	<b>\$ 7,921,964</b>

The notes to the financial statements are an integral part of this statement.

**State of Indiana**  
**Statement of Activities**  
**For the Year Ended June 30, 2007**  
(amounts expressed in thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-type Activities	Total	
<b>Primary government:</b>								
Governmental activities:								
General government	\$ 4,682,298	\$ 490,980	\$ 520,413	\$ -	\$ (3,670,905)	\$ -	\$ (3,670,905)	\$ -
Public safety	1,248,583	484,667	166,545	10,425	(586,946)	-	(586,946)	-
Health	343,552	11,155	207,122	835	(124,440)	-	(124,440)	-
Welfare	7,881,108	100,540	5,586,695	-	(2,193,873)	-	(2,193,873)	-
Conservation, culture and development	539,997	123,264	228,836	-	(187,897)	-	(187,897)	-
Education	7,012,148	3,724	785,888	-	(6,222,536)	-	(6,222,536)	-
Transportation	1,774,739	39,174	1,075,657	-	(659,908)	-	(659,908)	-
Unallocated interest expense	758	-	-	-	(758)	-	(758)	-
Total governmental activities	<u>23,483,183</u>	<u>1,253,504</u>	<u>8,571,156</u>	<u>11,260</u>	<u>(13,647,263)</u>	<u>-</u>	<u>(13,647,263)</u>	<u>-</u>
Business-type activities:								
Unemployment Compensation Fund	758,673	629,716	-	-	-	(128,957)	(128,957)	-
Other	32,945	30,628	-	-	-	(2,317)	(2,317)	-
Total business-type activities	<u>791,618</u>	<u>660,344</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(131,274)</u>	<u>(131,274)</u>	<u>-</u>
Total primary government	<u>\$ 24,274,801</u>	<u>\$ 1,913,848</u>	<u>\$ 8,571,156</u>	<u>\$ 11,260</u>	<u>(13,647,263)</u>	<u>(131,274)</u>	<u>(13,778,537)</u>	<u>-</u>
<b>Component units:</b>								
Proprietary	1,719,602	1,329,801	471,459	1,031	-	-	-	82,689
Colleges and universities	4,995,558	2,486,378	1,380,776	100,064	-	-	-	(1,028,340)
Total component units	<u>\$ 6,715,160</u>	<u>\$ 3,816,179</u>	<u>\$ 1,852,235</u>	<u>\$ 101,095</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(945,651)</u>
General Revenues:								
Income tax					5,638,203	-	5,638,203	-
Sales tax					5,491,750	-	5,491,750	-
Fuels tax					707,354	-	707,354	-
Gaming tax					851,853	-	851,853	-
Inheritance tax					154,817	-	154,817	-
Alcohol & tobacco tax					398,601	-	398,601	-
Insurance tax					197,064	-	197,064	-
Financial institutions tax					59,003	-	59,003	-
Other tax					519,747	-	519,747	-
Total taxes					14,018,392	-	14,018,392	-
Revenue not restricted to specific programs								
Investment earnings unrestricted					260,805	24,992	285,797	754,811
Payments from State of Indiana					-	-	-	1,356,104
Other					69,522	-	69,522	91,445
Transfers within primary government					(1,006)	1,006	-	-
Total general revenues and transfers					14,347,713	25,998	14,373,711	2,202,360
Changes in net assets					700,450	(105,276)	595,174	1,256,709
Net assets - beginning, as restated					17,391,568	458,757	17,850,325	6,665,255
Net assets - ending					<u>\$ 18,092,018</u>	<u>\$ 353,481</u>	<u>\$ 18,445,499</u>	<u>\$ 7,921,964</u>

The notes to the financial statements are an integral part of this statement.

# **FUND FINANCIAL STATEMENTS**

**State of Indiana**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2007**  
(amounts expressed in thousands)

	<u>General Fund</u>	<u>Motor Vehicle Highway Fund</u>	<u>Medicaid Assistance Fund</u>	<u>Major Moves Construction Fund</u>
<b>Assets:</b>				
Cash, cash equivalents and investments-unrestricted	\$ 1,595,976	\$ 2,426	\$ 47,345	\$ 2,701,895
Securities lending collateral	2,177,433	-	-	623,654
Receivables:				
Taxes (net of allowance for uncollectible accounts)	1,367,625	21,694	-	-
Securities lending	9,039	-	-	3,245
Accounts	13,336	115	-	-
Grants	4,061	361	2,341	-
Interest	10,986	-	-	1,249
Interfund loans	19,181	63,277	-	-
Due from component unit	15,050	-	-	-
Prepaid expenditures	153	484	-	-
Loans	20,594	-	-	-
	<u>\$ 5,233,434</u>	<u>\$ 88,357</u>	<u>\$ 49,686</u>	<u>\$ 3,330,043</u>
<b>Liabilities:</b>				
Accounts payable	\$ 92,374	\$ 1,667	\$ 46	\$ -
Salaries and benefits payable	36,777	5,622	-	-
Interfund loans	-	-	-	-
Interfund services used	2,290	3,639	-	-
Intergovernmental payable	40,081	29,555	-	-
Due to component unit	435	-	-	-
Tax refunds payable	49,126	-	-	-
Deferred revenue	560,701	10,121	-	-
Accrued liability for compensated absences-current	2,348	59	-	-
Securities lending payable	9,039	-	-	3,245
Securities lending collateral	2,177,433	-	-	623,654
	<u>2,970,604</u>	<u>50,663</u>	<u>46</u>	<u>626,899</u>
<b>Fund balance:</b>				
Reserved:				
Encumbrances	49,056	12,249	-	-
Special purposes	4,061	361	2,341	-
Tuition support	316,553	-	-	-
Interfund loans	19,181	63,277	-	-
Long-term loans and advances	20,376	-	-	-
Unreserved fund balance reported in:				
General fund	1,853,603	-	-	-
Special revenue funds	-	(38,193)	47,299	2,703,144
Capital projects funds	-	-	-	-
Permanent funds	-	-	-	-
	<u>2,262,830</u>	<u>37,694</u>	<u>49,640</u>	<u>2,703,144</u>
<b>Total fund balances</b>	<u>\$ 5,233,434</u>	<u>\$ 88,357</u>	<u>\$ 49,686</u>	<u>\$ 3,330,043</u>
<b>Total liabilities and fund balances</b>	<u>\$ 5,233,434</u>	<u>\$ 88,357</u>	<u>\$ 49,686</u>	<u>\$ 3,330,043</u>

The notes to the financial statements are an integral part of this statement.

<u>State Highway Department Fund</u>	<u>Property Tax Replacement Fund</u>	<u>Tobacco Settlement Fund</u>	<u>Non-major Governmental Funds</u>	<u>Total</u>
\$ 478,960	\$ 3,519	\$ 133,835	\$ 2,456,001	\$ 7,419,957
5,190	-	134,531	551,615	3,492,423
-	348,279	-	159,040	1,896,638
23	-	558	2,746	15,611
1,273	-	-	24,641	39,365
47,896	-	-	127,856	182,515
-	-	439	4,664	17,338
-	-	-	-	82,458
-	-	-	33,370	48,420
-	-	-	742	1,379
7,586	-	-	484,021	512,201
<u>\$ 540,928</u>	<u>\$ 351,798</u>	<u>\$ 269,363</u>	<u>\$ 3,844,696</u>	<u>\$ 13,708,305</u>
\$ 7,215	\$ 121,904	\$ 1,907	\$ 139,234	\$ 364,347
8,519	-	48	24,991	75,957
-	-	-	82,458	82,458
571	-	4	3,578	10,082
-	-	-	43,020	112,656
-	-	-	7,006	7,441
-	-	-	5,318	54,444
963	110,730	-	77,548	760,063
535	-	3	1,699	4,644
23	-	558	2,746	15,611
5,190	-	134,531	551,615	3,492,423
<u>23,016</u>	<u>232,634</u>	<u>137,051</u>	<u>939,213</u>	<u>4,980,126</u>
1,290,054	-	2,959	261,881	1,616,199
47,896	-	-	114,909	169,568
-	-	-	-	316,553
-	-	-	-	82,458
7,586	-	-	483,327	511,289
-	-	-	-	1,853,603
(827,624)	119,164	129,353	1,347,553	3,480,696
-	-	-	90,207	90,207
-	-	-	607,606	607,606
<u>517,912</u>	<u>119,164</u>	<u>132,312</u>	<u>2,905,483</u>	<u>8,728,179</u>
<u>\$ 540,928</u>	<u>\$ 351,798</u>	<u>\$ 269,363</u>	<u>\$ 3,844,696</u>	<u>\$ 13,708,305</u>

**State of Indiana**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Assets**  
**June 30, 2007**  
(amounts expressed in thousands)

**Total fund balances-governmental funds** \$ 8,728,179

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	\$	1,247,948	
Infrastructure assets		7,605,015	
Construction in progress		345,201	
Property, plant, and equipment		1,718,897	
Accumulated depreciation		(906,345)	
Total capital assets, net of depreciation			10,010,716

The State's pension funds have net pension assets not reported as assets in the funds. 203,439

Some of the state's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds. 879,993

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds. (293,545)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. 74,815

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Accrued liability for compensated absences		(127,672)	
Loan from the Indiana Board for Depositories		(50,000)	
Capital lease payable		(1,323,580)	
Net pension obligations		(10,327)	
Total long-term liabilities			(1,511,579)

**Net assets of governmental activities** **\$ 18,092,018**

The notes to the financial statements are an integral part of this statement.



**State of Indiana**  
**Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2007**  
(amounts expressed in thousands)

	<u>General Fund</u>	<u>Motor Vehicle Highway Fund</u>	<u>Medicaid Assistance Fund</u>	<u>Major Moves Construction Fund</u>
<b>Revenues:</b>				
Taxes:				
Income	\$ 5,481,976	\$ -	\$ -	\$ -
Sales	2,650,348	-	-	-
Fuels	-	325,468	-	-
Gaming	87,958	-	-	-
Inheritance	154,814	-	-	-
Alcohol and tobacco	334,785	-	-	-
Insurance	190,925	-	-	-
Financial Institutions	-	-	-	-
Other	206,429	172,828	-	-
Total taxes	<u>9,107,235</u>	<u>498,296</u>	<u>-</u>	<u>-</u>
Current service charges	200,181	136,998	-	-
Investment income	261,267	-	-	178,766
Sales/rents	1,512	7	-	-
Grants	15,430	10,392	3,755,523	-
Other	68,010	37,613	10,859	-
	<u>9,653,635</u>	<u>683,306</u>	<u>3,766,382</u>	<u>178,766</u>
Total revenues				
<b>Expenditures:</b>				
Current:				
General government	1,186,039	301,054	28	54,704
Public safety	622,272	193,028	-	-
Health	86,002	128	-	-
Welfare	313,593	-	5,481,567	-
Conservation, culture and development	85,060	3,005	-	-
Education	6,080,511	260	-	-
Transportation	1,225	2,261	-	94
	<u>8,374,702</u>	<u>499,736</u>	<u>5,481,595</u>	<u>54,798</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>1,278,933</u>	<u>183,570</u>	<u>(1,715,213)</u>	<u>123,968</u>
<b>Other financing sources (uses):</b>				
Transfers in	2,616,812	191,635	1,931,825	-
Transfers (out)	(3,462,498)	(373,827)	(212,873)	(187,665)
Proceeds from capital lease	-	-	-	-
	<u>(845,686)</u>	<u>(182,192)</u>	<u>1,718,952</u>	<u>(187,665)</u>
Total other financing sources (uses)				
<b>Net change in fund balances</b>	433,247	1,378	3,739	(63,697)
<b>Fund Balance July 1, as restated</b>	<u>1,829,583</u>	<u>36,316</u>	<u>45,901</u>	<u>2,766,841</u>
<b>Fund Balance June 30</b>	<u>\$ 2,262,830</u>	<u>\$ 37,694</u>	<u>\$ 49,640</u>	<u>\$ 2,703,144</u>

The notes to the financial statements are an integral part of this statement.

<u>State Highway Department Fund</u>	<u>Property Tax Replacement Fund</u>	<u>Tobacco Settlement Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 115,825	\$ 5,597,801
-	2,672,268	-	143,683	5,466,299
-	-	-	382,108	707,576
-	-	-	763,928	851,886
-	-	-	6	154,820
-	-	-	63,246	398,031
-	-	-	6,138	197,063
-	-	-	60,465	60,465
-	-	-	139,869	519,126
-	2,672,268	-	1,675,268	13,953,067
12,083	-	124,914	774,465	1,248,641
561	-	6,675	87,840	535,109
1,382	-	-	23,289	26,190
825,123	-	196	3,186,993	7,793,657
85,855	-	90	355,124	557,551
<u>925,004</u>	<u>2,672,268</u>	<u>131,875</u>	<u>6,102,979</u>	<u>24,114,215</u>
261	2,354,849	16,324	739,677	4,652,936
-	-	-	401,594	1,216,894
-	-	25,800	226,628	338,558
-	-	-	2,062,440	7,857,600
-	-	143	440,889	529,097
-	-	-	992,286	7,073,057
1,516,286	-	-	270,151	1,790,017
<u>1,516,547</u>	<u>2,354,849</u>	<u>42,267</u>	<u>5,133,665</u>	<u>23,458,159</u>
<u>(591,543)</u>	<u>317,419</u>	<u>89,608</u>	<u>969,314</u>	<u>656,056</u>
636,457	1,438,055	10,562	2,359,740	9,185,086
(5,998)	(1,867,126)	(134,948)	(2,939,930)	(9,184,865)
63,714	-	-	-	63,714
<u>694,173</u>	<u>(429,071)</u>	<u>(124,386)</u>	<u>(580,190)</u>	<u>63,935</u>
102,630	(111,652)	(34,778)	389,124	719,991
415,282	230,816	167,090	2,516,359	8,008,188
<u>\$ 517,912</u>	<u>\$ 119,164</u>	<u>\$ 132,312</u>	<u>\$ 2,905,483</u>	<u>\$ 8,728,179</u>

**State of Indiana**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Year Ended June 30, 2007**  
(amounts expressed in thousands)

Net change in fund balances-total governmental funds \$ 719,991

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report net capital outlays for infrastructure as expenditures. However in the statement of activities these outlays are capitalized and under the modified approach not depreciated. This is the amount of the net capital outlays for infrastructure under the modified approach in the current period. 18,325

Governmental funds report net capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$61,188) exceeds net capital outlays (\$7,628) in the current period. (68,816)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 70,805

Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the funds. (61,636)

Payment delays to colleges and universities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. 40,000

The change in net pension assets and net pension obligations do not provide or require the use of current financial resources:  
Decrease in net pension assets (30,292)  
Decrease in net pension obligations 1,980

Internal service funds are used by management to charge the costs of certain activities, such as insurance, data processing, telecommunications, fleet management, and printing, to individual funds. The net revenue (expense) of internal service funds is reported with governmental activities. 10,093

Change in net assets of governmental activities. \$ 700,450

The notes to the financial statements are an integral part of this statement.



**State of Indiana**  
**Statement of Fund Net Assets**  
**Proprietary Funds**  
**June 30, 2007**

(amounts expressed in thousands)

	Unemployment Compensation Fund	Non-Major Enterprise Funds	Total	Internal Service Funds
<b>Assets</b>				
Current assets:				
Cash, cash equivalents and investments - unrestricted	\$ 303,487	\$ 59,617	\$ 363,104	\$ 76,041
Receivables:				
Accounts	33,786	428	34,214	8,912
Interest	-	687	687	-
Grants	4,937	-	4,937	-
Interfund services provided	-	-	-	10,082
Inventory	-	590	590	7,030
Prepaid expenses	-	31	31	4,339
Total current assets	<u>342,210</u>	<u>61,353</u>	<u>403,563</u>	<u>106,404</u>
Noncurrent assets:				
Property, plant, and equipment	-	22,708	22,708	43,678
Less accumulated depreciation	-	(11,602)	(11,602)	(27,995)
Total capital assets, net of depreciation	<u>-</u>	<u>11,106</u>	<u>11,106</u>	<u>15,683</u>
Other assets	-	-	-	5
Total noncurrent assets	<u>-</u>	<u>11,106</u>	<u>11,106</u>	<u>15,688</u>
<b>Total assets</b>	<b><u>342,210</u></b>	<b><u>72,459</u></b>	<b><u>414,669</u></b>	<b><u>122,092</u></b>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	18	518	536	7,212
Claims payable	-	2,494	2,494	-
Salaries and benefits payable	-	398	398	1,162
Capital lease payable	-	-	-	540
Health/disability benefits payable	-	-	-	23,890
Accrued liability for compensated absences	-	179	179	1,855
Deferred revenue	-	6,800	6,800	1,396
Other liabilities	-	618	618	728
Total current liabilities	<u>18</u>	<u>11,007</u>	<u>11,025</u>	<u>36,783</u>
Noncurrent liabilities:				
Accrued liability for compensated absences	-	227	227	1,515
Capital lease payable	-	-	-	8,979
Claims payable	-	49,936	49,936	-
Total noncurrent liabilities	<u>-</u>	<u>50,163</u>	<u>50,163</u>	<u>10,494</u>
<b>Total liabilities</b>	<b><u>18</u></b>	<b><u>61,170</u></b>	<b><u>61,188</u></b>	<b><u>47,277</u></b>
<b>Net assets</b>				
Invested in capital assets net of related debt	-	11,106	11,106	6,164
Restricted-expendable:				
Unemployment compensation	342,192	-	342,192	-
Unrestricted	<u>-</u>	<u>183</u>	<u>183</u>	<u>68,651</u>
<b>Total net assets</b>	<b><u>\$ 342,192</u></b>	<b><u>\$ 11,289</u></b>	<b><u>\$ 353,481</u></b>	<b><u>\$ 74,815</u></b>

The notes to the financial statements are an integral part of this statement.

**State of Indiana**  
**Statement of Revenues, Expenses and**  
**Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2007**

(amounts expressed in thousands)

	Unemployment Compensation Fund	Non-Major Enterprise Funds	Total	Internal Service Funds
<b>Operating revenues:</b>				
Sales/rents/premiums	\$ -	\$ 30,352	\$ 30,352	\$ 397,799
Employer contributions	613,689	-	613,689	-
Charges for services	-	-	-	1,315
Other	-	276	276	998
<b>Total operating revenues</b>	<b>613,689</b>	<b>30,628</b>	<b>644,317</b>	<b>400,112</b>
Cost of sales	-	3,814	3,814	31,594
<b>Gross margin</b>	<b>613,689</b>	<b>26,814</b>	<b>640,503</b>	<b>368,518</b>
<b>Operating expenses:</b>				
General and administrative expense	-	18,718	18,718	107,012
Claims expense	-	9,702	9,702	-
Health / disability benefit payments	-	-	-	244,920
Unemployment compensation benefits	758,673	-	758,673	-
Depreciation and amortization	-	569	569	4,081
Other	-	142	142	-
<b>Total operating expenses</b>	<b>758,673</b>	<b>29,131</b>	<b>787,804</b>	<b>356,013</b>
<b>Operating income (loss)</b>	<b>(144,984)</b>	<b>(2,317)</b>	<b>(147,301)</b>	<b>12,505</b>
<b>Nonoperating revenues (expenses):</b>				
Interest and other investment income	22,220	2,772	24,992	2
Interest and other investment expense	-	-	-	(758)
Gain (Loss) on disposition of assets	-	-	-	(429)
Other	16,027	-	16,027	-
<b>Total nonoperating revenues (expenses)</b>	<b>38,247</b>	<b>2,772</b>	<b>41,019</b>	<b>(1,185)</b>
<b>Income before contributions and transfers</b>	<b>(106,737)</b>	<b>455</b>	<b>(106,282)</b>	<b>11,320</b>
Transfers in	-	1,006	1,006	4,690
Transfers (out)	-	-	-	(5,917)
<b>Change in net assets</b>	<b>(106,737)</b>	<b>1,461</b>	<b>(105,276)</b>	<b>10,093</b>
<b>Total net assets, July 1, as restated</b>	<b>448,929</b>	<b>9,828</b>	<b>458,757</b>	<b>64,722</b>
<b>Total net assets, June 30</b>	<b>\$ 342,192</b>	<b>\$ 11,289</b>	<b>\$ 353,481</b>	<b>\$ 74,815</b>

The notes to the financial statements are an integral part of this statement.

**State of Indiana**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2007**

(amounts expressed in thousands)

	Unemployment Compensation Fund	Non-Major Enterprise Funds	Total	Internal Service Funds
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 608,200	\$ 28,675	\$ 636,875	\$ 396,087
Cash paid for general and administrative	-	(19,432)	(19,432)	(106,160)
Cash paid for salary/health/disability benefit payments	-	-	-	(242,469)
Cash paid to suppliers	-	(3,903)	(3,903)	(36,282)
Cash paid for claims expense	(765,297)	(3,466)	(768,763)	-
Net cash provided (used) by operating activities	(157,097)	1,874	(155,223)	11,176
<b>Cash flows from noncapital financing activities:</b>				
Transfers in	-	-	-	4,690
Transfers out	-	-	-	(6,606)
Other	15,435	-	15,435	-
Net cash provided (used) by noncapital financing activities	15,435	-	15,435	(1,916)
<b>Cash flows from capital and related financing activities:</b>				
Acquisition/construction of capital assets	-	(511)	(511)	(3,505)
Proceeds from sale of assets	-	-	-	2,056
Principal payments -- capital leases	-	-	-	(1,341)
Capital contributions	-	1,006	1,006	-
Interest paid	-	-	-	(8)
Net cash provided (used) by capital and related financing activities	-	495	495	(2,798)
<b>Cash flows from investing activities:</b>				
Proceeds from sales of investments	-	7,464	7,464	-
Purchase of investments	-	(12,992)	(12,992)	-
Interest income (expense) on investments	22,220	2,147	24,367	2
Net cash provided (used) by investing activities	22,220	(3,381)	18,839	2
<b>Net increase (decrease) in cash and cash equivalents</b>	(119,442)	(1,012)	(120,454)	6,464
<b>Cash and cash equivalents, July 1, as restated</b>	422,929	6,734	429,663	69,577
<b>Cash and cash equivalents, June 30</b>	<u>\$ 303,487</u>	<u>\$ 5,722</u>	<u>\$ 309,209</u>	<u>\$ 76,041</u>
<b>Reconciliation of cash , cash equivalents and investments:</b>				
Cash and cash equivalents unrestricted at end of year	\$ 303,487	\$ 5,722	\$ 309,209	\$ 76,041
Cash and cash equivalents restricted at end of year	-	445	445	-
Investments unrestricted	-	53,450	53,450	-
<b>Cash, cash equivalents and investments per balance sheet</b>	<u>\$ 303,487</u>	<u>\$ 59,617</u>	<u>\$ 363,104</u>	<u>\$ 76,041</u>
<b>Noncash investing, capital and financing activities:</b>				
Increase in fair value of investments	\$ -	\$ 573	\$ 573	\$ -

**State of Indiana**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June**  
**30, 2007**

(amounts expressed in thousands)

	<b>Unemployment Compensation Fund</b>	<b>Non-Major Enterprise Funds</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ (144,984)	\$ (2,317)	\$ (147,301)	\$ 12,505
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation/amortization expense	-	569	569	4,081
(Increase) decrease in receivables	(5,489)	(64)	(5,553)	(2,154)
(Increase) decrease in interfund services provided	-	-	-	(2,361)
(Increase) decrease in inventory	-	(89)	(89)	(1,359)
(Increase) decrease in prepaid expenses	-	73	73	(4,340)
(Increase) decrease in claims payable	-	6,236	6,236	-
Increase (decrease) in health and disability benefits payable	-	-	-	2,451
Increase (decrease) in accounts payable	(6,624)	180	(6,444)	972
Increase (decrease) in deferred revenue	-	(1,953)	(1,953)	491
Increase (decrease) in salaries payable	-	73	73	157
Increase (decrease) in compensated absences	-	32	32	733
Increase (decrease) in other payables	-	(866)	(866)	-
Net cash provided (used) by operating activities	<u>\$ (157,097)</u>	<u>\$ 1,874</u>	<u>\$ (155,223)</u>	<u>\$ 11,176</u>

The notes to the financial statements are an integral part of this statement.

**State of Indiana**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2007**

(amounts expressed in thousands)

	Pension and Other Employee Benefits Trust Funds	Private-Purpose Trust Funds	Agency Funds
<b>Assets:</b>			
Cash, cash equivalents and non-pension investments	\$ 1,808,905	\$ 40,823	\$ 471,906
Securities lending collateral	4,732,876	7,844	90,350
Receivables:			
Taxes	-	-	15,648
Contributions	192,279	-	-
Interest	73,537	54	-
Securities lending	-	29	390
Member loans	4,779	-	-
Due from other funds	16,998	-	-
Due from component unit	2,099	-	-
From investment sales	1,223,688	-	-
Other	7	-	62
Pension and other employee benefit investments at fair value:			
Equity Securities	13,319,540	-	-
Debt Securities	6,619,360	-	-
Mutual Funds	5,037,267	-	-
Other	729,882	-	-
Total investments	<u>25,706,049</u>	<u>-</u>	<u>-</u>
Other assets	-	-	141,685
Property, plant and equipment net of accumulated depreciation	<u>3,097</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<b><u>33,764,314</u></b>	<b><u>48,750</u></b>	<b><u>720,041</u></b>
<b>Liabilities:</b>			
Accounts/escrows payable	20,633	5,055	613,187
Securities purchased payable	2,430,122	-	-
Salaries and benefits payable	656	-	-
Due to other funds	16,998	-	-
Securities lending payable	-	29	390
Due to component unit	2,099	-	-
Compensated absences	406	-	-
Securities lending collateral	4,732,876	7,844	90,350
Other	<u>161</u>	<u>-</u>	<u>16,114</u>
<b>Total liabilities</b>	<b><u>7,203,951</u></b>	<b><u>12,928</u></b>	<b><u>\$ 720,041</u></b>
<b>Net assets:</b>			
Held in trust for:			
Employees' pension benefits	26,560,363	-	
Trust beneficiaries	<u>-</u>	<u>35,822</u>	
<b>Total net assets</b>	<b><u>\$ 26,560,363</u></b>	<b><u>\$ 35,822</u></b>	

The notes to the financial statements are an integral part of this statement.

**State of Indiana**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2007**

(amounts expressed in thousands)

	<b>Pension and Other Employee Benefits Trust Funds</b>	<b>Private-Purpose Trust Funds</b>
<b>Additions:</b>		
Member contributions	\$ 315,602	\$ 79,404
Employer contributions	1,135,545	-
Contributions from the State of Indiana	94,478	-
Net investment income (loss)	4,163,069	1,301
Less investment expense	(287,776)	-
Donations/escheats	-	74,004
Transfers in	6,928	-
Other	290	-
<b>Total additions</b>	<b>5,428,136</b>	<b>154,709</b>
<b>Deductions:</b>		
Pension benefits	1,449,046	-
Disability and other benefits	372	-
Payments to participants/beneficiaries	-	159,787
Refunds of contributions and interest	65,382	-
Administrative	27,757	-
Pension relief distributions	140,727	-
Depreciation	21	-
Transfers out	6,965	-
Other	2,282	-
<b>Total deductions</b>	<b>1,692,552</b>	<b>159,787</b>
<b>Net increase (decrease) in net assets</b>	<b>3,735,584</b>	<b>(5,078)</b>
<b>Net assets held in trust, July 1, as restated</b>	<b>22,824,779</b>	<b>40,900</b>
<b>Net assets held in trust, June 30</b>	<b>\$ 26,560,363</b>	<b>\$ 35,822</b>

The notes to the financial statements are an integral part of this statement.

**State of Indiana**  
**Combining Statement of Net Assets**  
**Discretely Presented Component Units**  
**June 30, 2007**  
**(amounts expressed in thousands)**

	Proprietary	Colleges and Universities	Total
<b>Assets:</b>			
<b>Current assets:</b>			
Cash, cash equivalents and investments	\$ 1,726,947	\$ 1,168,717	\$ 2,895,664
Securities lending collateral	197,203	541,650	738,853
Receivables (net)	339,263	327,258	666,521
Intergovernmental receivable	69	-	69
Inventory	113	28,649	28,762
Prepaid expenses	5,475	16,749	22,224
Intergovernmental loans	787,532	-	787,532
Due from primary government	7,441	31,131	38,572
Investment in direct financing lease	49,285	-	49,285
Funds held in trust by others	350	33,290	33,640
Other current assets	7,292	57,046	64,338
<b>Total current assets</b>	<b>3,120,970</b>	<b>2,204,490</b>	<b>5,325,460</b>
<b>Noncurrent assets:</b>			
Cash, cash equivalents and investments - restricted	868,348	1,774,670	2,643,018
Taxes, interest, and penalties receivable	4,984	-	4,984
Other receivables	4,479,086	309,856	4,788,942
Investments - unrestricted	775,330	3,721,413	4,496,743
Loans	-	42	42
Bond issuance costs net of amortization	49,084	108	49,192
Intergovernmental loans	1,537,898	-	1,537,898
Due from primary government	50,000	31,028	81,028
Investment in direct financing lease	1,471,521	9,281	1,480,802
Other noncurrent assets	6,163	77,933	84,096
<b>Capital assets:</b>			
Land	164,986	175,940	340,926
Infrastructure	222,595	257,487	480,082
Construction in progress	481,513	487,376	968,889
Property, plant, and equipment	1,241,690	7,102,635	8,344,325
Less accumulated depreciation	(335,409)	(3,245,835)	(3,581,244)
Capital assets, net of accumulated depreciation	1,775,375	4,777,603	6,552,978
<b>Total noncurrent assets</b>	<b>11,017,789</b>	<b>10,701,934</b>	<b>21,719,723</b>
<b>Total assets</b>	<b>14,138,759</b>	<b>12,906,424</b>	<b>27,045,183</b>
<b>Liabilities:</b>			
<b>Current liabilities:</b>			
Accounts payable	96,103	289,794	385,897
Claims payable	9,318	-	9,318
Interest payable	149,109	2,316	151,425
Current portion of long-term debt	1,217,088	113,491	1,330,579
Line of credit	371,000	-	371,000
Due to primary government	48,420	-	48,420
Capital lease payable	-	1,609	1,609
Accrued prize liability	72,198	-	72,198
Salaries, health, disability, and benefits payable	78	26,662	26,740
Deferred revenue	57,853	217,900	275,753
Accrued liability for compensated absences	-	69,270	69,270
Securities lending collateral	197,203	541,650	738,853
Deposits held in custody for others	356	36,013	36,369
Other current liabilities	19,306	34,222	53,528
<b>Total current liabilities</b>	<b>2,238,032</b>	<b>1,332,927</b>	<b>3,570,959</b>
<b>Long-term liabilities:</b>			
Accrued liability for compensated absences	-	42,443	42,443
Accrued prize liability	75,713	-	75,713
Due to primary government	383	-	383
Deferred revenue	3,668,360	31,855	3,700,215
Capital lease payable	-	10,004	10,004
Funds held in trust for others	-	157,401	157,401
Advances from federal government	2,869	28,971	31,840
Revenue bonds/notes payable	9,560,376	1,919,477	11,479,853
Other noncurrent liabilities	5,106	49,302	54,408
<b>Total long-term liabilities</b>	<b>13,312,807</b>	<b>2,239,453</b>	<b>15,552,260</b>
<b>Total liabilities</b>	<b>15,550,839</b>	<b>3,572,380</b>	<b>19,123,219</b>
<b>Net Assets:</b>			
Invested in capital assets net of related debt	127,529	2,760,310	2,887,839
<b>Restricted-nonexpendable:</b>			
Grants/constitutional restrictions	4,618	-	4,618
Future debt service	99,628	-	99,628
Instruction and research	-	179,317	179,317
Student aid	-	135,349	135,349
Other purposes	-	118,058	118,058
<b>Total restricted-nonexpendable</b>	<b>104,246</b>	<b>432,724</b>	<b>536,970</b>
<b>Restricted-expendable:</b>			
Instruction and research	-	193,162	193,162
Future debt service	208,606	23,482	232,088
Pension fund distribution	13,514	-	13,514
Student aid	-	82,639	82,639
Auxiliary enterprises	-	4,572	4,572
Capital projects	37,139	204,507	241,646
Other purposes	847,882	1,651,319	2,499,201
<b>Total restricted-expendable</b>	<b>1,107,141</b>	<b>2,159,681</b>	<b>3,266,822</b>
Unrestricted	(2,750,996)	3,981,329	1,230,333
<b>Total net assets</b>	<b>\$ (1,412,080)</b>	<b>\$ 9,334,044</b>	<b>\$ 7,921,964</b>

The notes to the financial statements are an integral part of this statement.

**State of Indiana  
Combining Statement of Activities  
Discretely Presented Component Units  
For the Fiscal Year Ended June 30, 2007  
(amounts expressed in thousands)**

	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Proprietary</u>	<u>Colleges and Universities</u>	<u>Net (Expense) Revenue</u>
Proprietary	\$ 1,719,602	\$ 1,329,801	\$ 471,459	\$ 1,031	\$ 82,689	\$ -	\$ 82,689
Colleges and universities	4,995,558	2,486,378	1,380,776	100,064	-	(1,028,340)	(1,028,340)
Total component units	<u>\$ 6,715,160</u>	<u>\$ 3,816,179</u>	<u>\$ 1,852,235</u>	<u>\$ 101,095</u>	82,689	(1,028,340)	(945,651)
		General Revenues:					
			Investment earnings		103,326	651,485	754,811
			Payments from State of Indiana		1,218	1,354,886	1,356,104
			Other		-	91,445	91,445
			Total general revenues		<u>104,544</u>	<u>2,097,816</u>	<u>2,202,360</u>
			Change in net assets		187,233	1,069,476	1,256,709
			Net assets - beginning, as restated		(1,599,313)	8,264,568	6,665,255
			Net assets - ending		<u>\$ (1,412,080)</u>	<u>\$ 9,334,044</u>	<u>\$ 7,921,964</u>

The notes to the financial statements are an integral part of this statement.

**State of Indiana**  
**Combining Statement of Net Assets**  
**Discretely Presented Component Units -**  
**Proprietary Funds**  
**June 30, 2007**  
(amounts expressed in thousands)

	Indiana Finance Authority	Indiana Bond Bank	Indiana Housing and Community Development Authority	Board for Depositories
<b>Assets</b>				
Current assets:				
Cash, cash equivalents and investments	\$ 945,708	\$ 66,056	\$ 85,840	\$ 138,273
Securities lending collateral	6,838	-	-	190,365
Receivables (net)	159,269	30,901	431	3,167
Intergovernmental receivable	69	-	-	-
Inventory	-	-	-	-
Prepaid expenses	-	-	-	-
Intergovernmental loans	-	787,532	-	-
Due from primary government	7,441	-	-	-
Investment in direct financing lease	49,285	-	-	-
Funds held in trust by others	350	-	-	-
Other current assets	1,431	-	4,049	-
<b>Total current assets</b>	<b>1,170,391</b>	<b>884,489</b>	<b>90,320</b>	<b>331,805</b>
Noncurrent assets:				
Cash, cash equivalents and investments - restricted	-	21,940	764,079	-
Taxes, interest, and penalties receivable	-	-	4,984	-
Loans receivable	2,020,651	-	843,681	-
Investments - unrestricted	651,956	-	-	122,924
Bond issuance costs, net of amortization	16,984	21,649	10,451	-
Intergovernmental loans	-	1,537,898	-	-
Due from primary government	-	-	-	50,000
Investment in direct financing leases	1,471,521	-	-	-
Other noncurrent assets	157	-	44	-
Capital assets:				
Land	85,531	-	-	-
Infrastructure	222,595	-	-	-
Construction in progress	11,376	-	-	-
Property, plant, and equipment	1,181,488	-	1,878	505
Less accumulated depreciation	(310,060)	-	(1,728)	(477)
Total capital assets, net of depreciation	1,190,930	-	150	28
<b>Total noncurrent assets</b>	<b>5,352,199</b>	<b>1,581,487</b>	<b>1,623,389</b>	<b>172,952</b>
<b>Total assets</b>	<b>6,522,590</b>	<b>2,465,976</b>	<b>1,713,709</b>	<b>504,757</b>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	6,493	469	1,606	888
Claims payable	-	-	-	-
Interest payable	71,314	42,885	28,727	-
Current portion of long-term debt	192,201	829,355	195,532	-
Line of credit	-	-	-	-
Due to primary government	15,090	-	-	-
Accrued prize liability	-	-	-	-
Salaries, health, disability, and benefits payable	-	-	-	-
Deferred revenue	50,281	-	-	-
Securities lending collateral	6,838	-	-	190,365
Deposits held in custody for others	-	-	356	-
Other current liabilities	2,330	-	14,530	5
<b>Total current liabilities</b>	<b>344,547</b>	<b>872,709</b>	<b>240,751</b>	<b>191,258</b>
Long-term liabilities:				
Accrued prize liability	-	-	-	-
Due to primary government	383	-	-	-
Deferred revenue	3,639,056	-	-	-
Advances from federal government	2,869	-	-	-
Revenue bonds/notes payable	4,693,229	1,578,474	1,296,063	-
Other noncurrent liabilities	-	494	35	-
<b>Total long-term liabilities</b>	<b>8,335,537</b>	<b>1,578,968</b>	<b>1,296,098</b>	<b>-</b>
<b>Total liabilities</b>	<b>8,680,084</b>	<b>2,451,677</b>	<b>1,536,849</b>	<b>191,258</b>
<b>Net assets</b>				
Invested in capital assets net of related debt	13,221	-	150	28
Restricted-nonexpendable				
Grants/constitutional restrictions	-	-	4,618	-
Future debt service	-	-	99,628	-
<b>Total restricted-nonexpendable</b>	<b>-</b>	<b>-</b>	<b>104,246</b>	<b>-</b>
Restricted-expendable				
Future debt service	201,362	2,667	-	-
Pension fund distribution	-	-	-	13,514
Capital projects	-	-	-	-
Other purposes	847,882	-	-	-
<b>Total restricted-expendable</b>	<b>1,049,244</b>	<b>2,667</b>	<b>-</b>	<b>13,514</b>
Unrestricted (deficit)	(3,219,959)	11,632	72,464	299,957
<b>Total net assets</b>	<b>\$ (2,157,494)</b>	<b>\$ 14,299</b>	<b>\$ 176,860</b>	<b>\$ 313,499</b>

The notes to the financial statements are an integral part of this statement.

Secondary Market for Education Loans	State Lottery Commission	Indiana Stadium and Convention Building Authority	Non-Major	Total Component Units
\$ 104,614	\$ 100,696	\$ 261,529	\$ 24,231	\$ 1,726,947
-	-	-	-	197,203
110,386	31,806	969	2,334	339,263
-	-	-	-	69
-	96	-	17	113
-	5,386	-	89	5,475
-	-	-	-	787,532
-	-	-	-	7,441
-	-	-	-	49,285
-	-	-	-	350
1,812	-	-	-	7,292
<b>216,812</b>	<b>137,984</b>	<b>262,498</b>	<b>26,671</b>	<b>3,120,970</b>
-	82,329	-	-	868,348
-	-	-	-	4,984
1,614,754	-	-	-	4,479,086
-	-	-	450	775,330
-	-	-	-	49,084
-	-	-	-	1,537,898
-	-	-	-	50,000
-	-	-	-	1,471,521
5,962	-	-	-	6,163
-	-	-	79,455	164,986
-	-	-	-	222,595
-	-	470,137	-	481,513
2,654	13,019	-	42,146	1,241,690
(786)	(10,860)	-	(11,498)	(335,409)
1,868	2,159	470,137	110,103	1,775,375
<b>1,622,584</b>	<b>84,488</b>	<b>470,137</b>	<b>110,553</b>	<b>11,017,789</b>
<b>1,839,396</b>	<b>222,472</b>	<b>732,635</b>	<b>137,224</b>	<b>14,138,759</b>
3,218	33,993	49,251	185	96,103
-	-	-	9,318	9,318
5,830	-	353	-	149,109
-	-	-	-	1,217,088
371,000	-	-	-	371,000
-	33,330	-	-	48,420
-	72,198	-	-	72,198
-	-	-	78	78
-	438	-	7,134	57,853
-	-	-	-	197,203
-	-	-	-	356
-	1,800	-	641	19,306
<b>380,048</b>	<b>141,759</b>	<b>49,604</b>	<b>17,356</b>	<b>2,238,032</b>
-	75,713	-	-	75,713
-	-	-	-	383
-	-	29,304	-	3,668,360
-	-	-	-	2,869
1,374,850	-	617,760	-	9,560,376
4,577	-	-	-	5,106
<b>1,379,427</b>	<b>75,713</b>	<b>647,064</b>	<b>-</b>	<b>13,312,807</b>
<b>1,759,475</b>	<b>217,472</b>	<b>696,668</b>	<b>17,356</b>	<b>15,550,839</b>
1,868	2,159	-	110,103	127,529
-	-	-	-	4,618
-	-	-	-	99,628
-	-	-	-	104,246
4,577	-	-	-	208,606
-	-	-	-	13,514
-	-	35,967	1,172	37,139
-	-	-	-	847,882
4,577	-	35,967	1,172	1,107,141
73,476	2,841	-	8,593	(2,750,996)
<b>\$ 79,921</b>	<b>\$ 5,000</b>	<b>\$ 35,967</b>	<b>\$ 119,868</b>	<b>\$ (1,412,080)</b>

**State of Indiana  
Combining Statement of Activities  
Discretely Presented Component Units -  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2007**  
(amounts expressed in thousands)

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Indiana Finance Authority	Indiana Bond Bank	Indiana Housing and Community Development Authority
Indiana Finance Authority	\$ 330,710	\$ 377,550	\$ 41,537	\$ -	\$ 88,377	\$ -	\$ -
Indiana Bond Bank	103,971	361	103,682	-	-	72	-
Indiana Housing and Community Development Authority	269,429	56,098	197,143	-	-	-	(16,188)
Board for Depositories	18,772	-	23,882	-	-	-	-
Secondary Market for Educational Loans	100,778	-	103,200	-	-	-	-
State Lottery Commission	795,140	789,442	-	-	-	-	-
Indiana Stadium and Convention Building Authority	96	20,000	-	921	-	-	-
Non-Major Proprietary	100,706	86,350	2,015	110	-	-	-
<b>Total component units</b>	<b>\$ 1,719,602</b>	<b>\$ 1,329,801</b>	<b>\$ 471,459</b>	<b>\$ 1,031</b>	<b>88,377</b>	<b>72</b>	<b>(16,188)</b>
General revenues:							
Investment earnings					83,838	547	13,622
Payments from State of Indiana					-	-	-
Total general revenues					83,838	547	13,622
Change in net assets					172,215	619	(2,566)
Net assets - beginning, as restated					(2,329,709)	13,680	179,426
Net assets - ending					<b>\$ (2,157,494)</b>	<b>\$ 14,299</b>	<b>\$ 176,860</b>

The notes to the financial statements are an integral part of this statement.

continued on next page

**State of Indiana**  
**Combining Statement of Activities**  
**Discretely Presented Component Units -**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2007**  
(amounts expressed in thousands)

	<b>Net (Expense) Revenue and Changes in Net Assets</b>					
	<b>Board for Depositories</b>	<b>Secondary Market for Education Loans</b>	<b>State Lottery Commission</b>	<b>Indiana Stadium and Convention Building Authority</b>	<b>Non-Major</b>	<b>Net (Expense) Revenue</b>
Indiana Finance Authority	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 88,377
Indiana Bond Bank	-	-	-	-	-	72
Indiana Housing and Community Development Authority	-	-	-	-	-	(16,188)
Board for Depositories	5,110	-	-	-	-	5,110
Secondary Market for Educational Loans	-	2,422	-	-	-	2,422
State Lottery Commission	-	-	(5,698)	-	-	(5,698)
Indiana Stadium and Convention Building Authority	-	-	-	20,825	-	20,825
Non-Major Proprietary	-	-	-	-	(12,231)	(12,231)
<b>Total component units</b>	<b>5,110</b>	<b>2,422</b>	<b>(5,698)</b>	<b>20,825</b>	<b>(12,231)</b>	<b>82,689</b>
General revenues:						
Investment earnings	-	-	4,111	-	1,208	103,326
Payments from State of Indiana	-	-	-	-	1,218	1,218
<b>Total general revenues</b>	<b>-</b>	<b>-</b>	<b>4,111</b>	<b>-</b>	<b>2,426</b>	<b>104,544</b>
Change in net assets	5,110	2,422	(1,587)	20,825	(9,805)	187,233
Net assets - beginning, as restated	308,389	77,499	6,587	15,142	129,673	(1,599,313)
<b>Net assets - ending</b>	<b>\$ 313,499</b>	<b>\$ 79,921</b>	<b>\$ 5,000</b>	<b>\$ 35,967</b>	<b>\$ 119,868</b>	<b>\$ (1,412,080)</b>

**State of Indiana**  
**Combining Statement of Net Assets**  
**Discretely Presented Component Units -**  
**Colleges and Universities**  
**June 30, 2007**  
(amounts expressed in thousands)

	Indiana University	Purdue University	Non-Major Colleges and Universities	Totals
<b>Assets</b>				
Current assets:				
Cash, cash equivalents and investments	\$ 506,666	\$ 332,382	\$ 329,669	\$ 1,168,717
Securities lending collateral	294,186	247,464	-	541,650
Receivables (net)	117,304	89,179	120,775	327,258
Inventory	15,659	-	12,990	28,649
Prepaid expenses	-	-	16,749	16,749
Due from primary government	12,275	8,595	10,261	31,131
Funds held in trust by others	-	-	33,290	33,290
Other current assets	20,935	33,567	2,544	57,046
<b>Total current assets</b>	<b>967,025</b>	<b>711,187</b>	<b>526,278</b>	<b>2,204,490</b>
Noncurrent assets:				
Cash, cash equivalents and investments - restricted	-	1,710,480	64,190	1,774,670
Other receivables	223,081	69,807	16,968	309,856
Investments - unrestricted	2,198,398	834,920	688,095	3,721,413
Loans	-	42	-	42
Bond issuance costs net of amortization	-	-	108	108
Due from primary government	12,172	8,595	10,261	31,028
Investment in direct financing lease	9,281	-	-	9,281
Other noncurrent assets	-	50,258	27,675	77,933
Capital assets:				
Land	49,163	22,721	104,056	175,940
Infrastructure	141,055	54,687	61,745	257,487
Construction in progress	216,748	168,906	101,722	487,376
Property, plant, and equipment	3,004,216	2,362,468	1,735,951	7,102,635
Less accumulated depreciation	(1,432,341)	(1,077,282)	(736,212)	(3,245,835)
<b>Total capital assets, net of depreciation</b>	<b>1,978,841</b>	<b>1,531,500</b>	<b>1,267,262</b>	<b>4,777,603</b>
<b>Total noncurrent assets</b>	<b>4,421,773</b>	<b>4,205,602</b>	<b>2,074,559</b>	<b>10,701,934</b>
<b>Total assets</b>	<b>5,388,798</b>	<b>4,916,789</b>	<b>2,600,837</b>	<b>12,906,424</b>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	182,903	55,167	51,724	289,794
Interest payable	-	-	2,316	2,316
Current portion of long-term debt	41,067	31,228	41,196	113,491
Capital lease payable	1,570	-	39	1,609
Salaries, health, disability, and benefits payable	-	10,351	16,311	26,662
Deferred revenue	147,391	47,246	23,263	217,900
Accrued liability for compensated absences	37,317	24,207	7,746	69,270
Securities lending collateral	294,186	247,464	-	541,650
Deposits held in custody for others	-	21,657	14,356	36,013
Other current liabilities	-	25,263	8,959	34,222
<b>Total current liabilities</b>	<b>704,434</b>	<b>462,583</b>	<b>165,910</b>	<b>1,332,927</b>
Long-term liabilities:				
Accrued liability for compensated absences	11,362	16,263	14,818	42,443
Deferred revenue	24,778	-	7,077	31,855
Capital lease payable	9,942	-	62	10,004
Funds held in trust for others	83,085	62,160	12,156	157,401
Advances from federal government	-	20,174	8,797	28,971
Revenue bonds/notes payable	698,051	599,034	622,392	1,919,477
Other noncurrent liabilities	31,962	2,278	15,062	49,302
<b>Total long-term liabilities</b>	<b>859,180</b>	<b>699,909</b>	<b>680,364</b>	<b>2,239,453</b>
<b>Total liabilities</b>	<b>1,563,614</b>	<b>1,162,492</b>	<b>846,274</b>	<b>3,572,380</b>
<b>Net assets</b>				
Invested in capital assets net of related debt	1,304,656	863,282	592,372	2,760,310
Restricted-nonexpendable				
Instruction and research	-	179,317	-	179,317
Student aid	-	129,179	6,170	135,349
Other purposes	73,025	27,408	17,625	118,058
<b>Total restricted-nonexpendable</b>	<b>73,025</b>	<b>335,904</b>	<b>23,795</b>	<b>432,724</b>
Restricted-expendable				
Instruction and research	91,866	99,710	1,586	193,162
Student aid	22,357	55,823	4,459	82,639
Auxiliary enterprises	-	4,572	-	4,572
Capital projects	13,247	52,875	138,385	204,507
Other purposes	-	1,366,799	284,520	1,651,319
<b>Total restricted-expendable</b>	<b>150,952</b>	<b>1,579,779</b>	<b>428,950</b>	<b>2,159,681</b>
Unrestricted (deficit)	2,296,551	975,332	709,446	3,981,329
<b>Total net assets</b>	<b>\$ 3,825,184</b>	<b>\$ 3,754,297</b>	<b>\$ 1,754,563</b>	<b>\$ 9,334,044</b>

The notes to the financial statements are an integral part of this statement.

**State of Indiana**  
**Combining Statement of Activities**  
**Discretely Presented Component Units -**  
**Colleges and Universities**  
**For the Fiscal Year Ended June 30, 2007**  
(amounts expressed in thousands)

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Indiana University	Purdue University	Non-Major Colleges and Universities	Net (Expense) Revenue
Indiana University	\$ 2,332,792	\$ 1,278,332	\$ 691,203	\$ 15,925	\$ (347,332)	\$ -	\$ -	\$ (347,332)
Purdue University	1,508,171	739,222	442,322	68,070	-	(258,557)	-	(258,557)
Non-Major Colleges and Universities	1,154,595	468,824	247,251	16,069	-	-	(422,451)	(422,451)
Total component units	<u>\$ 4,995,558</u>	<u>\$ 2,486,378</u>	<u>\$ 1,380,776</u>	<u>\$ 100,064</u>	<u>(347,332)</u>	<u>(258,557)</u>	<u>(422,451)</u>	<u>(1,028,340)</u>
General revenues:								
Investment earnings					326,608	230,933	93,944	651,485
Payments from State of Indiana					527,747	365,354	461,785	1,354,886
Other					6,382	74,348	10,715	91,445
Total general revenues					<u>860,737</u>	<u>670,635</u>	<u>566,444</u>	<u>2,097,816</u>
Change in net assets					513,405	412,078	143,993	1,069,476
Net assets - beginning, as restated					3,311,779	3,342,219	1,610,570	8,264,568
Net assets - ending					<u>\$ 3,825,184</u>	<u>\$ 3,754,297</u>	<u>\$ 1,754,563</u>	<u>\$ 9,334,044</u>

The notes to the financial statements are an integral part of this statement.

